ANNUAL REPORT

for the fiscal year
ending March 31, 1987

Nova Scotia Lottery Commission

91-02877/

His Honour
The Honourable Lloyd R. Crouse, P.C.
Lieutenant-Governor of the
Province of Nova Scotia
Government House
Halifax, Nova Scotia

Dear Sir:

I have the honour to transmit herewith the Annual Report of the Nova Scotia Lottery Commission for the fiscal year ended March 31, 1987.

I am, Your Honour,

Yours sincerely,

Greg Kerr

Greg Kerr
Minister

The Honourable Greg Kerr
Minister in Charge of
Administration of
The Lottery Act
Province of Nova Scotia
Halifax, Nova Scotia

Dear Sir:

Presented herewith in accordance with Section 15(1) of The Lottery Act, 1976, c.14, s.1, is the Annual Report of the Nova Scotia Lottery Commission for the year ending March 31, 1987.

Respectfully submitted,

D.T. Tobin, C.A.
Chairman

CHAIRMAN'S REPORT

It is a pleasure, as Chairman of the Nova Scotia Lottery Commission, to report that the province's share of the profits from the Atlantic Lottery Corporation totalled $26,208,307 for the fiscal year ending March 31, 1987, on total sales of $197,117,000. This represents an increase in revenue of $6,096,063 over the previous year.

The Atlantic Lottery Corporation, a four-province partnership comprising Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland, continues to closely monitor the world lottery trends to ensure the region's games are interesting to the players and profitable to the provinces.

New instant-win lottery games continue to be changed regularly to meet the public demand. The original $1 A-1 ticket (now known as A-Plus), introduced in 1976 when the Atlantic Lottery Corporation was established, continues to be an integral part of the Corporation's product line. Revenues from the 6/49 lottery and its spin-off games account for the majority of revenue received from the lottery programs.

The Province of Nova Scotia is represented on the Board of Directors of the Atlantic Lottery Corporation by two deputy ministers.

Revenues generated by the Lottery Licensing Division of the Commission, which is responsible for authorizing all public gaming in Nova Scotia such as bingos, ticket lotteries, games of chance, and fund-raising casino events, was $1,165,916.

Lottery licensing fees are based on 2 per cent of the prizes awarded for bingo and ticket draws. The Commission issued 2,277 licences and 2,458 lottery permits during the 1986–87 fiscal year. In an effort to assist smaller community organizations with their fund-raising efforts, the Commission continued the policy of exempting small lotteries offering less than $150 in prizes from paying a licensing fee.

This past year also marked the introduction of the Atlantic Club Breakopen program, a lottery ticket designed specifically to help charitable, religious, and community organizations with their fund-raising efforts. Introduced in charitable bingo halls and Royal Canadian Legions, 61 licences were issued and 1,001 breakopen units were sold. This netted the licensees $220,220 for their programs and services.

The Commission also approved a policy prohibiting the involvement of professional or commercial fund raisers in the field of lotteries to ensure that all revenues realized through gaming are used for the benefit of Nova Scotia and its people.

Sport, recreation, cultural, and exhibition groups participating in the government's bonus commission program (selling A-Plus and Provincial lottery tickets) received $382,623.75 this year.

The following papers contain the audited financial statements of the Nova Scotia Lottery Commission for the fiscal year ended March 31, 1987.

Respectfully Submitted

D. T. Tobin

D.T. Tobin, C.A.
Chairman

AUDITOR'S REPORT

To the Chairman and Members of the
Nova Scotia Lottery Commission; and to the
Minister of Culture, Recreation and Fitness

I have examined the balance sheet of the Nova Scotia Lottery Commission as at March 31, 1987 and the statement of revenues and expenses for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies set out in Note 2 of the financial statements, applied on a basis consistent with that of the previous year.

O.P. Cormier, F.C.A.
Auditor General

Halifax, Nova Scotia
October 13, 1987

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA LOTTERY COMMISSION
BALANCE SHEET
AS AT MARCH 31, 1987

ASSETS

	1987	1986
Current		
Cash	$ 12,086	$ 6,784
Due from Atlantic Lottery Corporation Inc.	1,916,398	1,796,410
	1,928,484	1,803,194
Long-term		
Due from Atlantic Lottery Corporation Inc.	253,012	275,173
Investment in Interprovincial Lottery Corporation, at cost (Note 4)	1	1
	253,013	275,174
	$2,181,497	$2,078,368

LIABILITIES AND EQUITY

Current		
Accounts payable	$ 278,761	$ 270,047
Commissions payable	121,836	177,921
Due to Province of Nova Scotia (Note 3)	1,527,888	1,355,227
	1,928,485	1,803,195
Equity in fixed assets of Atlantic Lottery Corporation Inc.	253,012	275,173
	$2,181,497	$2,078,368

APPROVED ON BEHALF OF THE BOARD

Chairman Member

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA LOTTERY COMMISSION
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 1987

	1987	1986
Revenues		
Income from Atlantic Lottery Corporation Inc.	$26,208,307	$20,112,244
Income from lottery licences	1,165,916	1,030,293
Interest on short-term deposits	40,842	41,947
	27,415,065	21,184,484
Expenses		
Advertising	—	734
Commissions on ticket sales	380,289	424,069
Miscellaneous	1,798	1,883
Motor vehicle expenses	13,811	16,237
Office equipment	6,443	4,589
Postage	8,076	4,051
Professional fees	—	7,800
Rent	21,612	17,854
Salaries and employees' benefits	185,959	181,920
Supplies	11,237	10,036
Telephone and telegraph	5,389	4,420
Travel	24,874	20,804
	659,488	694,397
Excess of revenues over expenses	26,755,577	20,490,087
Less: Income from lottery licences collected directly by Province of Nova Scotia	1,165,916	1,030,293
Net revenue due to the Province	$25,589,661	$19,459,794

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA LOTTERY COMMISSION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1987

1. Authority

The Nova Scotia Lottery Commission was established as a corporation under the Lottery Act proclaimed in 1976. The purpose of the Commission is to develop, organize, undertake, conduct and manage lottery schemes on behalf of the Province of Nova Scotia, or on behalf of the Province of Nova Scotia, and other provinces that have any agreement with Nova Scotia respecting any such lottery schemes.

2. Accounting Policy

These financial statements have been prepared in accordance with generally accepted accounting principles modified by the policy of charging equipment purchases to expense in the year of acquisition.

3. Due to Province of Nova Scotia

	1987	1986
Balance, beginning of year	$ 1,355,227	$ 1,414,433
Add: Net revenue due to the Province	25,589,661	19,459,794
	26,944,888	20,874,227
Less: Payments to the Province	25,417,000	19,519,000
Balance, end of year	$ 1,527,888	$ 1,355,227

4. Interprovincial Lottery Corporation

The Interprovincial Lottery Corporation was created by the provinces to administer the Provincial, Super Loto and Loto 6/49 lotteries. The Nova Scotia Lottery Commission holds one share in this Corporation on behalf of the Province of Nova Scotia.